



# ***EXPAND OVERSIGHT OF FEDERAL SPENDING***

## ***Establish a Investigations Subcommittee of the House Committee on Appropriations***

Taxpayers sent a clear message on Nov. 2 that business as usual when it comes to federal spending must come to an end. It has been proposed, as a means of “changing the culture” and providing “a new vision for the House Appropriations Committee,” that the House Committee on Appropriations be further empowered to carry out its oversight functions by creating a new Investigations Subcommittee.

Taxpayers deserve an Appropriations subcommittee dedicated to investigations. Such a subcommittee will:

- Send a clear message to taxpayers that the Committee is serious about spending oversight;
- Shoulder the burden of the Committee’s oversight duties, freeing individual subcommittees to focus on crafting responsible spending bills;
- Implement a thorough and responsive oversight agenda focused on cutting waste, reducing duplication, and increasing transparency. Selected potential topics in what would be a long and full spending oversight agenda are below.

While the various standing committees have general oversight responsibilities, Clause 3(a) of House Rule X describes oversight functions for which the Appropriations Committee is specifically responsible:

*“The Committee on Appropriations shall conduct such studies and examinations of the organization and operation of the executive departments and other executive departments and other executive agencies (including an agency the majority of the stock of which is owned by the United States) as it considers necessary to assist it in the determination of matters within its jurisdiction.”*

Unique to the Committee on Appropriations, the Committee continues to have an investigative unit whose staff has been made up former employees of the FBI, CIA, GAO and other government investigative services. However, according to House Appropriations Committee’s published activity reports produced at the end of each Congress, the number of survey and investigations staff reports has steadily declined since the 105<sup>th</sup> Congress while the number GAO reports underway or completed has increased. In addition, the Committee’s Oversight Plan for the 111<sup>th</sup> Congress, required by Clause 2 of House Rule X, was all of five short paragraphs.

There is broad consensus that in order to change the culture of spending, more and better oversight will be needed to identify wasteful and ineffective spending, programs that are duplicative, and spending that is shielded by opaqueness. There is precedent that, in extraordinary times, the Appropriations Committee specifically will be charged with increasing effective oversight. Recommended by the 9/11 Commission, Congress created the Select Committee on Intelligence Oversight of the House Committee on Appropriations. With the recent runaway spending and unprecedented federal deficits, we are clearly in extraordinary times when it comes to the country’s fiscal health.

### **PARTIAL LIST OF POTENTIAL OVERSIGHT AGENDA TOPICS**

#### ***Review of TIGER Grants***

The TIGER (Transportation Investment Generating Economic Recovery) grant program was created by the executive branch, incorporated in the American Reinvestment and Recovery Act, and is administered by the Department of Transportation. A billion and a half dollars in grant money was to be awarded on a “competitive basis” to “projects that have a significant impact on the nation, a region or metropolitan area and can create jobs and benefit economically distressed areas.” However, the TIGER grants appear to have been used more for political posturing than an economic kick-start. For example, more than half of the first round of TIGER grants were distributed to states with unemployment lower than the nation average of 9.7%. In fact, the 18 states with the highest unemployment rates received less than a third of the total grant funding. States with similar unemployment rates were awarded very different amounts: for example, the District of Columbia received \$19 million while Florida received no TIGER funding. Even more troubling, it is reported that states that supported the current administration in the 2008 election received over two-thirds of the total

grant allocation. The program has been criticized for the lack of transparency used to award TIGER grants and the Department of Transportation has been asked to make their method public.

### ***Effectiveness of Head Start***

Head Start's mission is to, "provide comprehensive child development services to economically disadvantaged children and families, with a special focus on helping preschoolers develop the early reading and math skills..." An AEI paper in 2009 stated, "Many studies have shown that the current Head Start program--not the idea behind the program--fails to achieve the vitally important goals assigned to it. In 1998, Congress required the U.S. Department of HHS to conduct the first rigorous national evaluation of Head Start... the "Head Start Impact Study" of 2005 found that the current Head Start program has little meaningful impact on low-income children." According to AEI, neither three nor four-year-olds showed significant improvements in the most meaningful measures of achievement. AEI adds, "Perhaps the best indication of Head Start's slumping reputation comes from low-income parents themselves, who now often choose other programs for their children." Congress needs to do a better job of tracking the progress of Head Start and making sure that taxpayer dollars are utilized in the most effect manner possible.

### ***Transparency in Department of Defense Competitive Process***

Prior to the House banning earmarks to for-profit companies, the Department of Defense maintained that it awarded all earmarks as it would any other contract – awarding them competitively using methods consistent with Federal Acquisition Regulations. Yet, when asked for the documentation to support that, the data indicated that the majority of the sampled earmarks were indeed awarded, in whole or in part, to the intended for-profit company recipient. Not only does this raise questions about the effectiveness of the Departments approach to competition, this information took the better part of a year to receive in full and continues to be wrought with inconsistencies and confusion. With earmarks now out of the picture altogether, the need for a robust and transparent competitive process – at the Department of Defense and every other federal agency – is even greater.

### ***Waste in Homeland Security Grant Programs***

More than \$4 billion was appropriated in Fiscal Year 2010 for homeland security grant programs. Apart from coming across the occasional press release, however, the recipients and projects receiving these billions of dollars are largely unknown. Past funding has been spent on things such as kennels for stray animals in California, bingo halls in Kentucky, flat screen televisions in Maryland, and bullet-proof vests for dogs in Ohio. Before Congress appropriates billions of dollars in homeland security grant funding for Fiscal Year 2011, information on how this money is spent ought to be forthcoming.

### ***Eliminating Byrne JAG and Byrne Discretionary Grant Programs***

In Fiscal Year 2010, the Byrne Discretionary Grant Program was funded at \$124 million and \$109 million of that was earmarked. Without earmarking, there seems little reason to continue funding this program at such a high level. The Byrne JAG program exists to assist state and local governments with the functioning of their criminal justice systems. President Bush attempted to cut funding from this program throughout his tenure as president and even zeroed out funding for it in Fiscal Year 2009, yet Congress continues to appropriate funds, with an appropriation of \$519 million in Fiscal Year 2010. Clearly this program, as it currently operates, is expensive and not without its detractors in Congress.

### ***Efficacy in Foreign Assistance Programming***

There has been much debate in Congress over the financial assistance the U.S. distributes to foreign nations and whether that should be expanded or cut. However, the current state of the economy leaves little choice but to restrict our foreign assistance to critical programs which serve our national security interests. News reports which highlight wasted U.S. aid dollars or other stories about aid gone awry surface with consistent frequency. For example, AEI has produced a study highlighting the apparent divergence of donated malaria medicine from the public sector where it was intended to be distributed for free, to the private sector where it is distributed elsewhere. The Global Fund is a donor of malaria medicine and is funded by Western governments including the U.S. In Fiscal Year 2010, \$750 million was appropriated for the Global Fund. According to an op-ed in the Wall Street Journal Europe, "the [Global] Fund is slow to respond and denies a major problem exists. Meanwhile, it points to a lack of drug access to demand more financial support for the Fund." The foreign assistance budget was \$48.7 billion in Fiscal Year 2010. We need to be sure the foreign assistance we appropriate is national-security oriented, used as it was intended, and effective.

### ***Politics and the Commodity Credit Corporation***

As described by CRS, "the CCC is a permanently authorized, wholly owned government corporation that has the legal authority to borrow up to \$30 billion at any one time from the U.S. Treasury" and is the primary funding mechanism for the USDA's mandatory farm commodity program payments and some of the NRCS conservation payments. Salary and expenses to administer CCC programs are provided via annual appropriations and it usually receives a "such sums as necessary" appropriation to repay the Treasury the funds it borrows. Recently, the CCC has appeared to serve the role of a slush fund for unanticipated and politically expedient agriculture priorities of the current administration which deserve scrutiny. The CCC is covering the cost of a \$147.3 million annual payment to Brazil because of WTO issues with our domestic cotton subsidies. Similarly, the CCC is reportedly the ultimate funding source for \$630 million in administratively-handled disaster assistance promised to Sen. Blanche Lincoln by then-White House Chief of Staff Rahm Emaneul and widely panned as an election year gimmick.